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INTELLIGENCE REPORT

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SUPPLEMENT

ORIGIN

1. The Ministry of Industry and Mines, (MINROD -Ministarstvo Industrije i Rudnika) of the Croatian Federal Republic has its seat in Zagreb. The Minister of Industry and Mines is Major General Rado Zigich, former Political Commissar of the Second Army. Zigich is about forty years of age, and a store clerk by trade; he has held the post of Minister since November 1946.

Industrial Branch (Odeljenje za Industriju) called "I" Branch
Leather Section
Textile Section
etc.

Living Branch (Odeljenje za Rudarstvo) called "B" Branch

Branch Chief: Colladino

ŽIRPUH (Zelezarska Poduzeca Hrvatske) "Iron Works in Croatia"
 ENP (Kombinat za Naftu i Benzin) "Enterprise for Fuel Oil
 and Gasoline"

ROZU (Zemaljske Uprava za Uglje) "Federal Administration for Coal"

This unit was previously known as GUŠEV-Glavna Uprava
Srednjo Hrvatskim Rudnika za Uglje-"Central Administration
of North Croatian Coal Mines." The Chief of ZUZU is Milos
Korac, Communist Party member and former miner who served
as a Partisan fighter during the war. Korac is described
as an unsuitable choice for high administrative post,
disrespectful, and vulgar.

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letter of 16 October 1978 from the
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Archivist of the United States.
Next Review Date: 2003

3. Each section of the Ministry of Industry and Mines has a syndical branch which is intended to represent the workers' interest. Actually, the activity of these branches, which are all Communist-dominated, is almost totally political. The Ministry as a whole has one syndical branch, of whose members 66 are representatives of ZUZU. During the trial of Archbishop Stepinac, a meeting was held and members were asked to sign a letter demanding the death penalty for Stepinac. Because not more than ten of the 66 ZUZU members were

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willing to sign, the syndicate itself sent such a demand in the name of the members.

4. Each enterprise controlled by the Ministry has its own workers' representative if the total number of employees is less than twenty; if the number of employees exceeds twenty, three representatives are appointed. These representatives exercise control over the work of each employee, including that of the manager. If an employee is found unsatisfactory in any respect, the representatives are empowered to discharge him immediately.
5. All employees of the Mining Branch of the Ministry are expected to contribute three hours of "voluntary" work weekly (usually Thursdays from 1600 to 1900 hours). Most of the work is devoted to various factory construction projects. A strict check is kept of those who participate in this work and those who do not; non-participation means a bad mark on the record and probable loss of employment.

B. Coal Mines

6. ZUZU administration extends over eleven "sectors" comprising a total of fifty-nine coal mines. ZUZU issues permits to the mines, but the individual mines function independently to the extent that they finance their operations through the sale of their own output.

MINES

Sector I	- Zlatar	Spickovina Poljacica Nikola (not functioning) Susobreg Vusak three other Total monthly production: 5000 tons
Sector II	- Konjscina	Gornja Konjscina Donja Konjscina Jertovec (not functioning) Stari Maretic Novi Maretic (lignite) Ivano Polje Zajezda (not functioning) one other Total monthly production: 7000 tons
Sector III	- Ivanec	Ivanec 1 (not functioning) Ivanec 2 Landanje Donje Lepa (not functioning) Gacice (not functioning) Marija Zavraje one other Total monthly production: 5000 tons
Sector IV	- Golubovac	Golubovac Novi Golubovac Stari Lepoglava Total monthly production: 4000 tons

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Sector V	- Krapina	Krapina Strahinje Straza (not functioning) Prograda one other Total monthly production: 3500 tons
Sector VI	- Mursko Sredisce	Paklenica Majhen Svoboda (not functioning) Total monthly production: 6000 tons
Sector VII	- Krizevci	Sveta Barbara (not functioning) Zibrenovac (lignite) Javordol Petrovdol two other Total monthly production: 3500 tons
Sector VIII	- Kopriwnica	Rasinja Bregi three other Total monthly production: 3500 tons
Sector IX	- Bjelovar	Trnovka (not functioning) Ciglana (not functioning) Pitomaca two other Total monthly production: 3500 tons
Sector X	- Nova Gradiska	Sveti Nikola Total monthly production: 3500 tons
Sector XI	- Topusko	Topusko Petrovgorski (Petrova Gora) Total monthly production: 1500 tons

7. The Mining Supply Unit (Rudarski Nabavni Zavod) is an independent organization furnishing such mining supplies and equipment as timber, tools, and clothing and food for miners. This unit is under the direct control of ZUZU.

8. The Trbovlje Coal Mining Company ("TPD" - Trboveljska Premogokopna Druzba) in Slovenia maintains an outlet in Zagreb for retail distribution of coal. This outlet is under ZUZU control. The manager, a former miner, is known as "Nikola."

9. Both mines in Konjscina, and the mines in Ivano Polje and Zajezda (all in Sector II) were principally owned by foreign capital as follows: Belgium 80%, France 15%, Croatia 5%. The Croatian Republic expropriated the mines on 1 October 1945 with no compensation to the Belgian owners. Instead, the former owners were assessed the sum of two million dinars, with the

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explanation that the mines had been exploited to the full extent of their value and that the Belgian owners owed the Croatian Republic this amount.

10. The sale of coal for private consumption was hampered during the summer of 1946 by a lack of purchasing power on the part of the population. On this account, much publicity was given to stimulating sales, and coal was distributed without ration cards. The price of coal was 1070 dinars per ton, but it was sold to ZUZU employees at 700 dinars per ton. There was no export of coal. Switzerland expressed an interest in the purchase of bituminous coal in powder form, but this grade was not available.
11. Monthly salaries of miners range between 1800 and 3600 dinars less about 20% for taxes and social insurance. The salary of a mining engineer is between 3800 and 4600 dinars monthly. The pay scale for administrative personnel is as follows:

Typist.....	2400 dinars monthly
Clerk.....	2800 dinars monthly
Bookkeeper.....	3600 dinars monthly
Cashier.....	3600 dinars monthly
Manager.....	4500 to 5200 dinars monthly
Branch Chief, Minister.....	6000 dinars monthly

Milos Korac, Chief of ZUZU, receives in addition to his monthly base pay of 5200 dinars, 8000 dinars from the Communist Party, and 300 dinars a day when he is traveling. Workers receive a monthly allowance of 300 to 400 kilograms of coal in addition to their base pay.

12. During 1946 many miners were released because of lack of work. This resulted in dissatisfaction in various sectors, and now miners are put on a "leave with pay" status rather than being discharged.
 13. Morale of workers varies, but because of low pay and high living costs and taxes, most of them are opposed to the present regime. A miner is eligible for a full pension only after thirty-five years of work.
- C. Oil Wells
14. In July 1946 oil was discovered in Bratina near Novska by Soviet engineers. A mission of Soviet engineers is now directing exploitation. All machinery used is of Russian manufacture. The entire district is surrounded by barbed wire fencing, and admission is by special permit only. At present about three hundred workers are employed at the wells, and six hundred more are working on the construction of large buildings.

Electrical Industry

15. Also subordinate to the Ministry of Industry and Mines are the State Electrical Enterprises of Croatia. In 1945 when the "People's Authorities" assumed control in Zagreb, they took over and reorganized all electric power plants. They established ELPOH (Električno Poduzeće Hrvatske) "Electrical Enterprises of Croatia". Under ELPOH were included the following organizations:

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- AEG - Allgemeine Elektrische Gesellschaft
- ELIN - ELECTROINDUSTRIE
- SIEMENS - (workshops in Kustosija)

Later was also included:

- GEC - (Gradska Električna Centrala) "City Electric Power Plant"

16. In December 1946 the authorities commenced to liquidate ELPOH and established, under the name SIEMENS and responsible to the Ministry of Industry and Mines, the State Electrical Enterprises of Croatia. This agency is continuing the program initiated by ELPOH which was laid out before May 1945.
17. The agency is responsible for:
 - Supplying electric power to Croatia
 - Completing the electrification of Croatia
 - Procurement of all kinds of electrical equipment
 - Education of electrical technicians
18. Under the present agency all electric power plants, including many small ones in addition to those listed above, operate as previously, except that they are now under state control.
19. Zagreb itself is supplied with electric power routed through Karlovac from Fala, Slovenia. The Velenje power plant is also connected with this circuit.
20. Thus far, new electrification has been extended in some areas of Hrvatsko Zagorje (north of Zagreb) and the vicinity of Bjelovar. Ambitious plans have been projected for the electrification of the whole of Croatia, and a super-plant will, therefore, be necessary. A large plant is under construction in Mrzla Vodica on the southern slope of Mt. Risnjak. This plant is to be completed this year, and is hoped to supplement present generating facilities sufficiently to permit electrification of all Croatia. Electrification is still hampered, however, by a shortage of electrical equipment.
21. The Siemens installation in the Kustosija suburb of Zagreb has been placed under state control, enlarged, and renamed Electrical Enterprise "RADE KONCAR". Training and education of personnel is an important function of the State Administration. Where this plant formerly employed 700 persons, there are now 1300 employed. The plant maintains an electrotechnical school, and there are highly-organized facilities for workers, including a mess hall, sports field, baths, library, movie theater, and other conveniences. In the morning the students work in the factory; in the afternoon they hear lectures and participate in discussions of Communism.
22. With the exception of the SKODA properties, which belong to Czechoslovakia, all electrical enterprises in Croatia have been taken under state administration. A uniform accounting system has been installed in all of the nationalized installations, as well as a stock control system (presumably perpetual inventory) for every item of equipment. If damage occurs to a piece of equipment, and the responsible worker cannot satisfactorily prove that he was not at fault, he is liable to capital punishment.
23. Syndical co-operatives are organized in the electrical industry on the same pattern as those in the mining branch. Communist activity among workers in the electrical industry is intense, and a group these workers have a higher proportion of Communists than those in other industries.

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